

Message Text

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ACTION EUR-12

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EB-07 FRB-01 INR-07 NSAE-00 CIEP-02 SP-02 STR-04

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INFO ALL EC CAPITALS 757

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PASS AGRICULTURE

E.O. 11652: NA

TAGS: EAGR, EEC

SUBJECT: APPLICATION OF MONETARY COMPENSATORY AMOUNTS

REF: A. EC A-252, 7/5/73; B. EC BRUSSELS 05170

1. BEGIN SUMMARY: REGULATION NO. 1380/75 UPDATES THE RULES GOVERNING THE APPLICATION OF MCA'S. BASICALLY, THIS REGULATION MERELY INCORPORATES PREVIOUS AMENDMENTS, LEAVING THE BASIS MCN SYSTEM UNCHANGED. END SUMMARY.

2. REGULATION NO. 1380/75 OF MAY 29, 1975 SUPERSEDES REGULATION NO. 1463/73, WHICH LAID DOWN DETAILED RULES FOR THE APPLICATION OF MONETARY COMPENSATORY AMOUNTS (MCA'S). THE BASIC SYSTEM REMAINS AS DESCRIBED IN REF A. SEE ALSO REF B FOR EXAMPLES OF HOW THE MCA SYSTEM IS NOW APPLIED.

3. FOR THE MOST PART, REGULATION NO. 1380/75 MERELY INCORPORATES CHANGES MADE IN SEVERAL PREVIOUS AMENDMENTS INCLUDING:

A) CHANGES IN THE METHOD OF DETERMINING WHETHER SLUICE-GATE PRICES FOR EGGS, POULTRY MEAT AND ALBUMINS HAVE BEEN OBSERVED BY THIRD COUNTRIES (EFFECTED BY REGULATION NO. 490/75, 2/27/75).

THIS AMENDMENT (SEE ARTICLE 17 (1)) PROVIDES FOR INCREASING THE

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OFFER PRICE FOR THESE PRODUCTS BY AN AMOUNT EQUAL TO THE MCN FOR

THOSE COUNTRIES WHOSE CURRENCIES HAVE APPRECIATED (AND DECREASING THE OFFER PRICE BY THE AMOUNT OF THE MCA FOR THE DEPRECIATING COUNTRIES). PREVIOUSLY, THIS AMOUNT WAS OBTAINED BY MULTIPLYING THE SLUICE-GATE PRICE BY A COEFFICIENT CORRESPONDING TO THE PERCENTAGE OF APPRECIATION OR DEPRECIATION OF THE CURRENCY OF THE IMPORTING MEMBER STATE. THIS METHOD IS STILL USED FOR PORK.

B) SIMILARLY, THE MCA IS NOW USED TO DETERMINE WHETHER THE REFERENCE PRICE FOR WINE HAS BEEN OBSERVED (ALSO EFFECTED BY REGULATION NO. 490/75). SEE ARTICLE 17 (2). FORMERLY, AN AMOUNT EQUAL TO THE REFERENCE PRICE MULTIPLIED BY THE COEFFICIENT OF APPRECIATION OR DEPRECIATION WAS USED.

C) REPEAL OF THE PROHIBITION ON MCA'S IN TRADE BETWEEN THE UK AND IRELAND (EFFECTED BY REGULATION NO. 2521/74, 10/4/74), REFLECTING THE DIVERGENCE OF IRISH AND UK GREEN RATES AS OF OCTOBER 7, 1974.

D) REPEAL OF THE SUSPENSION ON MCA'S ON CERTAIN FROZEN BEEF PRODUCTS INTENDED FOR PROCESSING (EFFECTED BY REGULATION NO. 1099/74, 5/3/74).

E) CERTAIN AMENDMENTS EXEMPTING FOOD AID EXPORTS FROM MCA'S ARE ALSO INCORPORATED.

4. IN ADDITION, REGULATION NO. 1380/75 SETS A TWO-MONTH TIME LIMIT ON THE PAYMENT OF MCA'S (ART. 16) EXCEPT IN CASES OF FORCE MAJEURE OR POSSIBLE FRAUD AND EXEMPTS SMALL CONSIGNMENTS OF A NON-COMMERCIAL NATURE FROM MCA'S (ART. 19). THE REGULATION ENTERED INTO FORCE ON JUNE 1, 1975 (EXCEPT FOR ARTICLE 19 WHICH BECOMES EFFECTIVE JULY 1). CHANGES RESULTING FROM PREVIOUS AMENDMENT (E.G., THOSE IN PARA 3) ARE, OF COURSE, ALREADY IN EFFECT.

5. A COPY OF REGULATION NO. 1380/75 IS BEING TRANSMITTED BY AIRGRAMS. GREENWALD

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Message Attributes

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